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C O N F I D E N T I A L SECTION 01 OF 02 KUWAIT 000059

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TAGS: [ECON](#) [PGOV](#) [PTER](#) [PREL](#) [KU](#) [KTFN](#)
SUBJECT: MINISTER OF SOCIAL AFFAIRS AND LABOR: WE WILL
INVIGORATE OUR CONTROL OF CHARITIES

Classified By: DCM Matt Tueller for reasons 1.4(b) and (d).

¶1. (C) Summary: Minister of Social Affairs and Labor Shaykh Sabah Al-Khalid Al-Sabah told Ambassador January 16 that in March his Ministry would begin a campaign to bring Kuwaiti charities into compliance with existing laws regulating charitable contributions so that the Ministry could better follow the flow of their funds. He noted that the GOK had devised an ATM-like machine to trace donations within Kuwait and that they had a system for tracking cash donations, though cash donations could never be completely monitored. The Minister noted that there is currently a search for two auditing firms to oversee the charities' behavior. On the subject of the U.S. designation of three Kuwaitis and the Kuwaiti Salafi-affiliated charity RIHS (Revival of Islamic Heritage Society), the Minister said the GOK could not take action without solid evidence. Finally, the Minister noted his concern that the current political climate in the Middle East meant that an increase of U.S. forces in Iraq (and in Kuwait, since troops enter Iraq from Kuwait) was a sensitive issue, and he asked that the GOK be kept informed.

Ministry to Increase Pressure on Charities

¶2. (C) The Minister of Social Affairs and Labor, Shaykh Sabah Al-Khalid Al-Sabah, told the Ambassador on January 16 that for the last six months the Ministry (MOSAL) had been preparing for a campaign to clamp down on charities. He noted that in 2000, the Cabinet had given the charities six months to come into compliance with a 1962 law regulating their activities. The Government at the time, according to the Minister, had lost the will to enforce its decision in the face of intense pressure from Islamists in Kuwait. Shaykh Sabah Al-Khalid said that he intended to reinvigorate the enforcement of the law, however. He stated that there are nine charities working legally and 120 working without the proper licensing from the Government, and that he would set up a meeting in early March where MOSAL would demand to see licenses or else serve notice that the charities had to comply with the law within a given time period (which the Minister did not specify). He said he would be having a less formal meeting with representatives of the charities later that day because they were nervous about the Ministry's preparations. The Minister said MOSAL would face immense pressure in enforcing its policy, citing the charities' threat of unleashing the 17 Islamist MPs on MOSAL, but that he was determined to uphold the law.

¶3. (C) The Minister said that after a considerable amount of deliberation, the GOK had decided to install machines around the country for collecting charitable donations. The

machine would work like an ATM. There would be a touch-screen where users could choose a charity, specify their bank information, and make one-time or regularly recurring donations. This machine would be tied into the banks and the Ministry to allow MOSAL to track the flow of money. The Minister acknowledged that tracking cash donated informally was very difficult. He noted that during Ramadan this past year MOSAL had established stations where charities could set up booths to collect donations. A MOSAL representative was present at each of these stations and money was donated using a coupon system that allowed the Ministry to track where it was going. He said MOSAL would continue this system though there was no way to track all cash donations.

14. (C) The Ambassador brought up the issue of finding a company to audit charities' behavior. The Minister said the Cabinet rejected the company originally selected to do the auditing, noting the company's affiliation with the Muslim Brotherhood. He said they were in the process of retendering the contract and hoped to find two companies rather than one. The Ambassador noted that the primary problems stemmed from these charities' activities outside the country. The Minister assured the Ambassador that the auditing would cover activities outside of Kuwait.

Minister: GOK Cannot Go After Terrorists without Evidence

15. (C) The Ambassador reminded the Minister that the U.S. recently designated, and urged the U.N. to designate, three Kuwaitis as terrorist inciters. He pointed out that the GOK has resisted these designations diplomatically and that this put the GOK in the position of defending terrorists. The

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Minister responded that the evidence against the designees has not been solid and that Kuwait's Public Prosecutor had not been able to build a case against them. If there were solid evidence, Shaykh Sabah Khalid argued, the GOK would move forward with prosecutions. The Ambassador commented that the Department of Treasury was very concerned about the Revival of Islamic Heritage Society (RIHS) and that the GOK should not be surprised if the U.S. took action against it in the near future. The Minister acknowledged their influence in Kuwaiti society but did not give a specific response.

Minister Nervous about U.S. Plans to Add Troops

16. (C) Finally, the Minister asked whether President Bush's new plan to add 20,000 troops to Iraq would mean an increase in U.S. military movements in Kuwait. He noted that the region was entering a new era of instability with the situations in Lebanon, Iraq, and Israel/Palestine. This made the subject of added troops especially sensitive. He emphasized the importance of the U.S. keeping Kuwait informed well in advance of any changes in the military footprint. The Minister noted that a national security meeting on the subject had been scheduled for this week, but was delayed a week in order to incorporate the information provided by Secretary Rice during her trip to Kuwait (Jan 16 -17).

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